Government of Saskatchewan

Annual Report 1986

Saskatchewan Workmen's Compensation Board Superannuation Fund

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Regina, Saskatchewan

His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Workmen's Compensation Board Superannuation Fund for the year ending December 31, 1986.

I have the honour to be, Sir,

Your Obedient Servant

Grant Schmidt

Honourable Grant Schmidt
Minister in Charge
Worker's Compensation Board

To The Honourable Grant Schmidt
Minister Responsible for the
Worker's Compensation Board
Regina, Saskatchewan

Dear Mr. Schmidt

I have the honour to submit the Annual Report of the Workmen's Compensation Board Superannuation Fund for the period January 1, 1986 to December 31, 1986 in accordance with Section 55, R.S.S. 1987, of The Workmen's Compensation Board Superannuation Act and amended by The Superannuation (Supplementary Provisions) Act.

Ms. Edna G. Kendrick, Assessment Control Clerk, with an annual salary of $31,020, retired from service on February 28, 1986. Ms. Kendrick served continuously with the Worker's Compensation Board since May 22, 1958 with 27 years 282 days of service. Ms. Kendrick became a superannuate at age 65 with an annuity allowance of $11,917.13 effective March 1, 1986.

Ms. Alma Fletcher, Data Entry Supervisor, with an annual salary of $28,188, became a superannuate at age 60 with 19 years 64 days of service and was granted a superannuation allowance of $11,301.12 per annum commencing August 1, 1986.

Mr. Jack W. Warbey, Wascana Out-Patient Co-Ordinator, with an annual salary of $36, 228 retired from service on August 31, 1986. Mr. Warbey superannuated with 19 years 338 days of service at age 65 with an annual superannuation allowance of $8,827.80 effective September 1, 1986.

Statements showing the financial standing of the Fund and the report of the Provincial Auditor are attached.

Yours truly,

Garnet Garven

Garnet Garven
Chairman

The Workmen's Compensation Board Superannuation Fund

Financial Statements

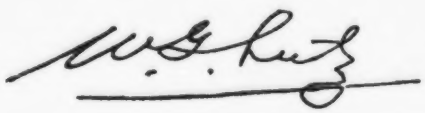
Year Ended December 31, 1986

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Workmen's Compensation Board Superannuation Fund as at December 31, 1986 and the statements of revenue, expenditure and fund equity, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
October 9, 1987.

W. G. Lutz, F.C.A.,
Provincial Auditor.

The Workmen's Compensation Board Superannuation Fund

Balance Sheet

Statement 1

As at December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Assets		
Cash and short-term deposits	$ 315,502	$1,108,739
Investments (Schedules 1 and 2)	8,765,634	6,822,858
Accrued interest on investments	167,194	183,678
Accounts receivable	35,657	12,369
	$9,283,987	$8,127,644
Accounts Payable and Fund Equity		
Accounts payable	$ —	$ 1,800
Fund equity (Statement 2) (Note 4)	$9,283,987	$8,125,844
	$9,283,987	$8,127,644

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Statement of Revenue, Expenditure and Fund Equity

Statement 2

Year Ended December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Revenues:		
Contributions from the Workers' Compensation Board (Injury Fund)	$ 355,290	$ 393,903
Contributions by employees and board members	186,995	193,258
Investment earnings, bank interest and sundry income	923,269	878,325
Gain on sale of investments	4,788	60,382
Total Revenue	$1,470,342	$1,525,868
Expenditures:		
Superannuates' allowances	$ 277,230	$ 238,232
Refunds to employees leaving service:		
Contributions	24,110	8,423
Accrued interest	10,859	2,423
Total Expenditure	$ 312,199	$ 249,078
Excess of revenue over expenditure for the year	$1,158,143	$1,276,790
Fund equity, beginning of year	8,125,844	6,849,054
Fund equity, end of year (Statement 1)	$9,283,987	$8,125,844

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Statement of Receipts and Disbursements

Statement 3

Year Ended December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Receipts:		
Contributions from employees and board members	$ 175,674	$ 193,249
Contributions from Workers' Compensation Board (Injury Fund)	333,209	394,495
	$ 508,883	$ 587,744
Interest received	917,177	756,040
Long-term investment sales and maturities	1,156,809	907,066
Total Receipts	$2,582,869	$2,250,850
Disbursements:		
Allowances paid to superannuates	$ 279,030	$ 236,432
Contributions refunded or transferred to other retirement plans	24,110	8,423
Interest on contributions paid out	10,859	2,423
Long-term investments purchased	3,062,107	2,035,598
Total Disbursements	$3,376,106	$2,282,876
Excess of (disbursements over receipts)	(793,237)	(32,026)
Cash and short-term deposits, beginning of year	1,108,739	1,140,765
Cash and short-term deposits, end of year	$ 315,502	$1,108,739

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Notes to Financial Statements

Year Ended December 31, 1986

1. **Significant Accounting Policies**

   a) Investments

   Investments are recorded in the accounts at cost. Any discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discount or premium, are taken into revenue or expenditure in that year.

   b) Administrative Costs

   The Fund is administered by the Public Employees Benefits Agency. Accordingly no provision for administrative costs has been reflected in these financial statements.

   c) Basis of Accounting

   The accounts are maintained on an accrual basis of accounting.

2. **Description of the Plan**

   The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October, 1978.

3. **Short-term Deposits**

   Short-term deposits are valued at cost which approximates market value.

4. **Fund Equity**

   Fund Equity represents the accumulated contributions and earnings that, together with future contributions and interest earnings, will provide for payment of superannuation allowances. (Note 5).

5. **Fund Contributions**

   Member contributions are based on a percentage of salary. The Workers' Compensation Board (Injury Fund) provides contributions to the superannuation fund equal to 1.9 times the contributions made by employees and board members.

6. **Unfunded Liability**

   The most recent actuarial valuation of The Workmen's Compensation Board Superannuation Fund estimated that the plan had an unfunded actuarial liability of $817,694 as at December 31, 1985. The Worker's Compensation Board is obligated to fund any deficiency in order to meet the superannuation fund's retirement benefits and refund requirements.

The Workmen's Compensation Board Superannuation Fund

Statement of Investments

Schedule 1

December 31, 1986
(with comparative figures for the previous year)

	1986	1985
Investments:		
Bonds and Debentures:		
Government of Canada	$ —	$ 249,552
Province of Saskatchewan	1,523,825	878,043
Guaranteed by Other Provinces	497,837	742,395
Municipals	437,935	437,203
Corporates	3,858,460	3,078,479
	$6,318,057	$5,385,672
Mortgages:		
Morguard Trust Company	$ 511,921	$ 519,327
Equities	1,935,656	917,859
Total Investments (Schedule 2)	$8,765,634	$6,822,858
Investments at par value	$8,974,829	$7,050,591
Unamortized discounts	$ 209,195	$ 227,733

Investments had a quoted market value of $9,694,339 on December 31, 1986 (1985 — $7,769,018).

The Workmen's Compensation Board Superannuation Fund

Statement of Investment Transactions
Year Ended December 31, 1986

Schedule 2

Investments, beginning of year	$6,822,858
Add:	
Investments purchased:	
Bonds and debentures:	
9¼% Saskatchewan, October 2, 1987	$ 295,650
9¾% Saskatchewan, April 16, 1996	496,250
12¼% Westcoast Transmission, July 15, 2000	288,750
9-7/8% Consumers Gas, June 1, 2006	241,075
10½% Marathon Realty, August 15, 2006	250,000
7-5/8% Pacific Western, December 30, 1996	300,000
	$1,871,725
Equities:	
500 Shares, Imperial Oil Ltd.	$ 23,015
1,500 Shares, Imasco Ltd.	51,435
2,000 Shares, Transcanada Pipelines	32,250
2,000 Shares, National Bank	55,255
500 Shares, Teck	12,498
2,000 Shares, Bank of Nova Scotia	28,620
800 Shares, Interprovincial Pipelines	34,640
1,000 Shares, MacMillan Bloedel	31,060
1,500 Shares, Dylex	26,340
1,000 Shares, B.C. Telephones	28,330
2,000 Shares, Power Corporation of Canada	35,070
1,000 Shares, Pagurian Corporation	15,570
1,000 Shares, Brascan	25,000
2,600 Shares, Laidlaw Transportation "B"	34,549
1,000 Shares, Campbell Red Lake Mines	20,000
8,800 Shares, Belkin Packaging	161,367
2,000 Shares, Ry. Nt. Financial	18,500
2,000 Shares, Great West Life	41,250
1,500 Shares, Scott's Hospitality	19,625
2,500 Shares, MacLean Hunter "X"	48,300
1,350 Shares, Domtar	42,356
1,000 Warrants, Transcanada Pipelines	1,250
4,000 Shares, International Thomson Organization	47,200
1,500 Shares, Lac Minerals	33,293
1,500 Shares, Crownx Inc.	18,075
3,900 Shares, Echo Bay Mines Ltd.	88,734
1,000 Shares, Hees International	31,250
1,700 Shares, BMO NT Financial	18,062
800 Shares, Teck Conv. PFD	101,200
500 Shares, Lonvest Corporation	12,478
2,000 Shares, CAE Industries	20,060
2,000 Shares, Falconbridge Ltd.	33,750
	$1,190,382
Amortization of discounts, net of premiums	22,575
Total Additions	$3,084,682

The Workmen's Compensation Board Superannuation Fund

Statement of Investment Transactions — (Continued)

Year Ended December 31, 1986

Schedule 2

Deduct:	
Investments sold:	
Bonds and Debentures:	
9¼% Canada, December 6, 1987	$ 247,875
10¼% Saskatchewan, April 1, 2001	155,745
12-1/8% Nova Scotia Power, February 14, 2005	265,625
12¾% Simpson Sears Acceptance, June 15, 2000	16,000
17½% Newfoundland Telephones, December 2, 1986	250,000
13¼% Norcen Energy Resources, December 20, 2003	11,000
12% Producers Pipelines, June 30, 1995	20,370
12¼% Westcoast Transmission, July 15, 2000	14,000
	$ 980,615
Equities:	
14,000 Shares, Nova Scotia Corporation	$ 78,300
1,000 Shares, Hiram Walker	38,000
2,000 Shares, Great West Life	42,590
	$ 158,890
Investment principal matured	$ 7,189
Gain on sale of investments	(4,788)
Total Deductions	$1,141,906
Investments, end of year (Schedule 1)	$8,765,634